Partnership

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Introduction

This module aims at helping you to understand and be able to make the most of ideas and opportunities you have. For this, you need to be able to know the difference and to judge what value is in social, cultural, and economic terms. And to be able to execute it in a suitable way.

The main focus of the module is the assessment process, and the prediction of what value ideas could have.

Learning outcomes

01

Understand the modern concepts of assessment and prediction of what value ideas could have in terms of different perspectives, like social, cultural, economic, environmental, etc.

02

Being able to apply different methods and techniques for assessment of ideas.

Learning outcomes

03 Understand the role of the assessor and being able to overcome the traps and difficulties in the process of evaluation ideas.

04 Re-evaluating the importance and being able to apply own creativity, personal, and professional values towards the new ideas one would go for.

The Price of the Great Idea

Great ideas without execution have no value. On the other hand, a modest idea with brilliant execution, could have significant impact and to generate profit and sustainability.

To increase the chance for a successful implementation of an idea, the entrepreneur should:

- understand how to evaluate ideas in terms of social, cultural, and economic perspective
- know and be able to apply different techniques, tools, and approaches for evaluation of the ideas and for organization of the execution
- know evaluate the resources needs and to make a business plan
- be ready to go digital and online.
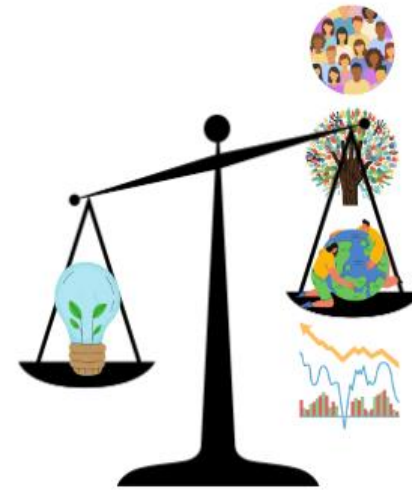
Assess your ideas in terms of social, cultural, environmental, and economic perspective

Why to Evaluate Ideas

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There are many examples of how great ideas can turn into great disasters: the nuclear energy – turned into weapon; the plastic – turned into a global pollution; internet – turned into addiction; the school system – into illiterate society.

It is pointless to judge the past, but it is our greatest teacher for why we need to evaluate our ideas before we start implementing them!

We can call it THE ETHICS of innovation and creation.

And apart from the profit itself, we need to evaluate the impact of our ideas on environment, society, culture, industries, labour … if we want meaningful future for the mankind.

?

What are the biggest problems in the place you are living?
Use some official data and statistics to understand the impact of the problems on the community and the environment.

Reflect on how your skills, knowledge, experience, can contribute to these problems?

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Where to Start From

Understand the Social Values

The social value stands for the full net value an organisation, or a person provide to society. It is so called Social Contract between you, your team or organization, and the society.

Social value of an idea is the total impact of the outcome of the idea/product/service, in the society. The society benefits of ideas and solutions that meet its needs and contribute to change mentality in terms of responsibility and sustainability.

You need to:

- Understand the needs of the society. How? By communicating with people.
- Include society in your projects. Let them test and give you feedback and ideas.
- Respect the other components of the ecosystem – the cultural, environmental, moral, economical.
- Build trust with all your actions. Be transparent and keep your promises.

Where to Start From

masscommunication
talk.com

Respect the Cultural Values

You need to take into consideration the cultural context you want to apply your ideas in. Especially into a multicultural society where language, traditions and customs, knowledge, food, values, internal relationships, dress code, religion, sexuality, etc., might vary in a huge scale.

Integrate Environmental Issues

You need to integrate the environmental aspect in your new ideas, solutions, products, and services you are about to offer.
The innovations are also about mind changing, not only satisfy users' needs.

Be Economically Reasonable

To profit from own ideas and innovations, is part of the goals you might have. Be sure to understand the market and to be able to predict, plan, organize, find investors, and execute your ideas.
Evaluate the benefits an idea promises relative to the cost of developing it (the investment).

The Paradox of the Evaluation

Assessment of new ideas is a tricky and challenging job, no matter how many tools you use, or how much experience you have.

"NEW" means something that we don't know and haven't experienced yet and have little information and data about.

There are 2 basic situations in which you need to evaluate ideas:

1. When you assess ideas related to existing business. Then you need rational metrics of the established business. Simple.
2. When you assess ideas that are completely new and innovative. Then the traditional metrics simply don't work (*Innovator's Dilemma*). You need a bunch of different tools, approaches, techniques, creativity, people to help.

In all cases you will need a set of different criteria (qualitative and quantitative, each with different weight), for considering the different aspects and dimensions of the idea.

Then you can assess the results and rang the ideas.

The data and numbers that you would use might not be entirely correct, but still this approach will give you better chance to assess more of the aspects of the idea.

TIPS & TRICKS:
- Include more people & keep the process transparent, creative, and focused around a certain goal.
- For different ideas use different methods!
- Make the assessment of the ideas part of your professional and personal development journey.

The Traps in the Evaluation

The practice of evaluation of new ideas is quite new in our live. Only recently specialists are facing the challenge to assess such a great number of ideas of other people, in order to select and invest in some of them.

Professionals still miss skills or look at the things one-sidedly, from their own perspective only. They can favour ideas from people they know or who somehow resemble them better, or who they like, or are friends/colleagues with, or to focus on the easiest ideas.

The most used criteria though are NOVELTY (to examine the similarities and differences with products/services that already exist), FEASIBILITY (to analyse if the idea is something that you can implement based on resources you can access and whether you can be competitive in the market), AND MARKET POTENTIAL (to evaluate the potential revenue for a product or service at a given time).

However, there are not unified definitions of what a good idea consists of. Because the good ideas can have too wide range of benefits.

Financial profitability is only a small part of the "good idea" definition, along with the overall impact, sustainability, needs that meet, people that involve, etc.

Good Practices

A research shows that people that are creators of ideas are more successful in the role of assessors, than people who are not creative but have the role of managers, due to the combination of divergent thinking (idea generation), convergent thinking (idea evaluation), and lateral thinking (thinking out of the box) in the creator role, while the manager role emphasizes only convergent thinking.

The creative forecasting then connects better the creativity and innovation and should be part of the assessment process alongside with traditional marketing approaches.

It also should be considered another important element – people behind the idea, with all their energy, motivation, values, drives, to make their ideas come true. These are difficult to be assessed with formulas and marketing or financial tools.
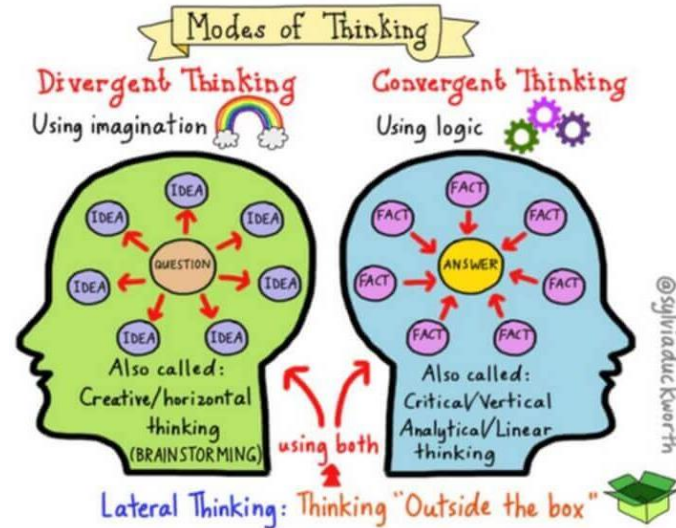
www.teachthought.com/critical-thinking/3-modes-of-thought-divergent-convergent-thinking/

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Value Hierarchy Theory

As we understand that it is the biggest challenge to select the ideas, rather than to generate them, the question is: How can YOU decide which ideas to go for and which ones to live behind?

The elder brother of Walt Disney – Roy Disney, defined it well: "When your values are clear for you, making decisions become easier!"

The first (but crucial) simple evaluation technique is The Value Hierarchy, which matches your decisions with your personal or organizational values.

EXAMPLE: If your highest values are trust and respect, it is unlikely to go against them and offer a solution, service, or product, that have not proven yet enough and might disappoint your end users.

thefamouspeople.com

How To Evaluate Your Ideas Using A Value Hierarchy (3 min)

?

Can you make your own hierarchy of values?
Do they much with your colleagues' ones?

Define Your Value Hierarchy

Staying connected with your values will give you a pivot in situations in which your need to make a choice.

The values are usually stable although as you move through the life, they can change. That's why you can revisit them from time to time and be sure you are on the run you want!

There are 2 basic approaches to define your values:

- To choose from a list of values & to describe how you want to use them.
- To make an overview of different moments in your life when you were happy and satisfied, plus people you admire, and to analyse what values lie at the base of it all.

Exercise:
Choose one of the methods and define your professional and personal values that you strive to apply in your daily life and work! Choose the top 3 that are the most important at the moment for you!

Good Practices:
You can use this list to:

- Make decisions.
- Choose a job or a position in an organization.
- Apply certain behaviour or solution.
- Help your clients (people for whom your are trying to invent a solution) to understand their values.

Back to the Design Thinking

Stage 4 & 5 – Prototype, test, get feedback and improve

As we already discussed in the previous module, the Design Thinking method is one of the most used one in terms of generating ideas and evaluating them.

In the first 3 stages you define the profile of your users, their needs, or problems, and you generate ideas how to help.

In the stages 4 & 5 you create your first prototype/s, and you test them. Why? Because it is cheaper, faster, and you get precious feedback and ideas for further development or corrections.
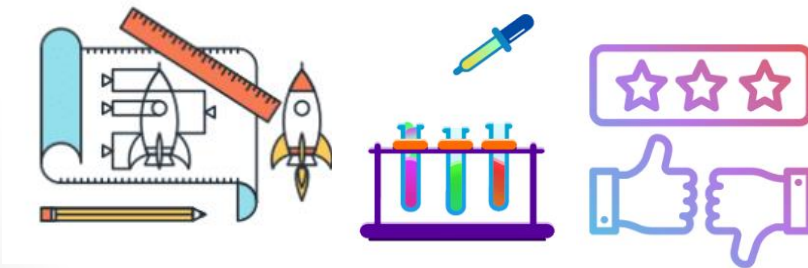
Back to the Design Thinking

Tips & Tricks
Creating a Prototype
- Use your team to help you.
- Sketch out a quick, inexpensive prototype for each idea.
- Criticise, iterate, and reject prototypes that are not ideal.
- Find the best possible solution and flush out any constraints and issues.

Testing
After you have a winning prototype you can test with your users.
- Observe how people use the prototype.
- Don't explain them, neither show them.
- The way they interact with the prototype will give you insights how good it is.
- Ask them about their impressions.
- The feedback will make you to redefine the product or to re-evaluate the user needs.
- Make it better (you may need to start the process of Design Thinking from the beginning at this stage, to generate new ideas and assess the needs).

Other Evaluation Methods

Evaluation Matrix (Concept Evaluation Matrix or an Innovation Evaluation Matrix)

https://ideadrop.co/idea-management/idea-evaluation-matrix/

To understand the meaning and the weight of the criteria chosen in the process of evaluation of the ideas, you may need a tool to help you to visualize them all. This is so called matrix. There are different types of matrices but once you understand it, you can create your own.

Here, we will outline the six steps of The Evaluation Matrix process:

•Step 1: Select the ideas to put through your matrix. These are ideas that you want to compare.

•Step 2: Choose your idea screening criteria, for example: Time, Cost, Potential Impacts (Social, Cultural, Environmental, Monetary Impact), Linked to Strategic Goals, etc.

Evaluation Matrix

Step 3: Rate Your Criteria / Criteria Coefficient
The scale can go from 1 (lowest), to how many criteria you have (for example 5 – highest

IDEA DROP	Time	Cost	Potential Impact	Monetary Impact	
Criteria Coefficient	1	2	3	5	

Step 4: Score each idea
Based on the criteria you've chosen, score ideas from 1 to 5 how well each idea meets each of your chosen criteria.
For example, if idea A has high efficiency in terms of cost, score it 5, and if its monetary impact is low, score it 1.

IDEA DROP	Time	Cost	Potential Impact	Monetary Impact	
Criteria Coefficient	1	2	3	5	
Idea A	5	4	3	1	

Evaluation Matrix

Step 5: Calculate each idea's weighted score

Do it as it is shown on the example below:

- Find the weighted score as you multiply the criteria coefficient by the score of the idea.
- You'll need to calculate these weighted scores for each idea across each of your criteria

IDEA DROP	Time	Cost	Potential Impact	Monetary Impact	
Criteria Coefficient	1	2	3	5	
Idea A	5	4	3	1	
Weighted rating	1x5=5	2x4=8	3x3=9	5x1=5	
Idea B	2	3	4	5	
Weighted rating	1x2=2	2x3=6	3x4=12	5x5=25	

Evaluation Matrix

Step 6: Sum the weighted scores and compare the total score of all ideas

The final step is to sum the weighted and to write these scores in the final column of the matrix.

Compare these scores to evaluate which ideas are the most viable (the highest scores) and which are the least. Choose the best ideas and go on!

IDEA DROP	Time	Cost	Potential Impact	Monetary Impact	TOTAL
Criteria Coefficient	1	2	3	5	
Idea A	5	4	3	1	
Weighted rating	1x5=5	2x4=8	3x3=9	5x1=5	sum=27
Idea B	2	3	4	5	
Weighted rating	1x2=2	2x3=6	3x4=12	5x5=25	sum=45

Tips & Tricks

If you have hundreds of ideas to filter, you may need another step before you use the Evaluation Matrix. You can organize a competition, and let people vote, comment, assess freely. It will help you also to understand clients' perspective, attitude, needs. And you will have less ideas to compare and choose from.

Evaluation Matrix 2

Once you have your ideas ranked, you can use another type of matrix, to visualize them all, this time using the factors IMPACT and EFFORT.
It may help you to support the ideas, that can easily go the upper left field.

Low　　　　　Effort　　　　　High

High

Impact

GREAT
Execute it right away!

GOOD
Can you reach the same impact with less effort?

WEAK
Can you increase the impact?

BAD
Focus on the other ideas.

Low

https://hatrabbits.com/en/evaluation-matrix-download/

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Evaluation Matrix 3

Urgency vs. Business Value – Matrix

This method helps you to prioritize what ideas, solutions, needs to be met first. Especially when you work with people or environmental problems. You need to answer to 2 questions:

- How Urgent is this idea?
- What is the Business Value of the idea (what is the cost of the idea compared to the value that it brings)?
- And score them from 1 to 10.
- It is pretty evident which ideas should have a "Go" and a "No-Go".
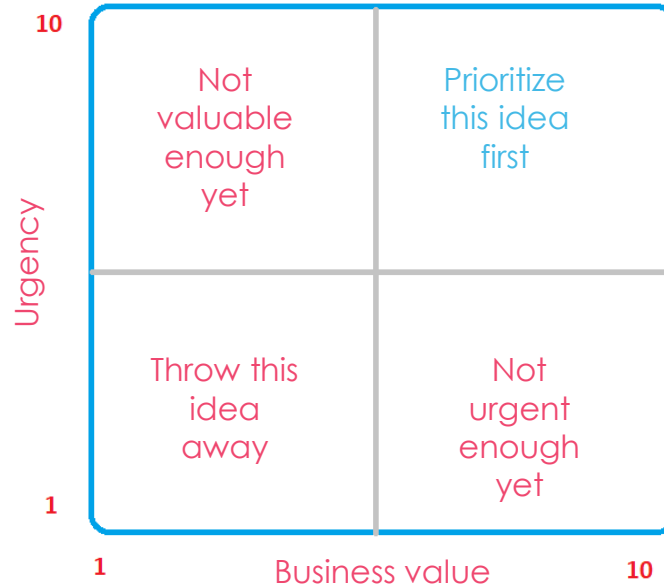
Other Evaluation Methods

Three lenses of Innovation

1. Gather different ideas.
2. Take these ideas and put them through the Three Lenses of Innovation matrix:

- **Desirability**: How desired is this idea? What problem does it solve? How do you know it is important (measures, data, statistics)?
- **Feasibility**: How possible is this idea is to become a reality? How much does it cost?
- **Viability**: How strong is this idea over time? Does it contain both an economic and sustainable model to maintain?
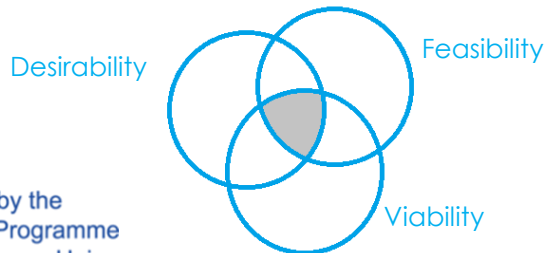
Idea Question Checklist
You need to focus on what questions have to be answered to bring something from just an idea and start testing it. The may differs for every occasion. **Example**:

- Is your idea legal?
- What is its environmental impact?
- Will it have any negative effect?
- Who is your competition?
- Who will buy it?
- How much will it cost to get your idea to market?

Desirability   Feasibility

Viability

Other Evaluation Methods

Cost Benefit Analysis

Investors (and you) should be interested in the cost of the ideas. An analysis of the sum of all costs could help you to decide whether to go for the idea or not.

You can include expenses like:

- costs for prototype development
- patent protection
- product liability
- manufacturing
- distribution and market entry
- and many others…

Delphi Technique

A systematic forecasting method using the opinion of independent experts to evaluate the validity of an idea. It is used to make decisions about complex issues based on individual opinions.

This method is similar to the focus groups that are vastly used in marketing research.

Summary

There are lots of methods, approaches, and techniques to evaluate ideas in terms of social, cultural, environmental, etc. perspective.
Sometimes it is even hard to choose where to start from and what method to choose.
Remember that you need to evaluate many different elements, not just one.
The next table will help you to keep in mind all of them.

CUSTOMER VALUE OF IDEAS/
Basic questions:
- **Necessity:** How users will evaluate the necessity of products based on the idea?
- **Novelty:** How will users evaluate the novelty the idea introduced?
- **Usefulness:** How will users evaluate the usefulness the idea brought to the product?
- **Usability:** How will users evaluate the usability of the product?

MARKET VALUE OF IDEAS /
Basic questions:
- **Competition**: How competitive is the idea with relation to the idea embedded in the competitor's product?
- **Buyer:** How competitive is the idea with regards to customer expectations?
- **Market:** How is the idea competing against the expectations of the market?

Summary

TECHNICAL & PRODUCTION VALUE OF IDEAS /
Basic questions:

- **Productivity:** How the idea affects the possibility to production?
- **Functionality:** How the idea affects the functionality of the product?
- **Reliability:** How the idea affects the reliability of the product?
- **Safety:** How the idea affects the safety of the product?
- **Ecology & Environment:** Does the idea affect the environment and how?
- **Aesthetics:** Does the idea affect the aesthetics of the product?

FINANCIAL VALUE OF IDEAS /
Basic questions:

- **Sales volume:** What is the impact of the idea on the expected sales volume of the product?
- **Rate of return:** How ideas affect the rate of return on investment?
- **Payback time:** How ideas affect the time of payback time?
- **Potential investors:** are there investors that are interested in investing in such ideas?

Good Practices

Generating and evaluating ideas are two powerful tools, that can help organizations to grow and to get the most of people's potential.

They can be used as part of routine daily work or as a team building/event activity.

Applying them in an organization guarantees:

- Better cooperation, trust, and engagement of people towards projects they are involved in;
- Better communication – internal and external;
- Better understanding of clients and end users;
- Better services and products;
- Better sales processes;
- Personal and professional development;
- Better chances for partnership;
- Innovation and development;
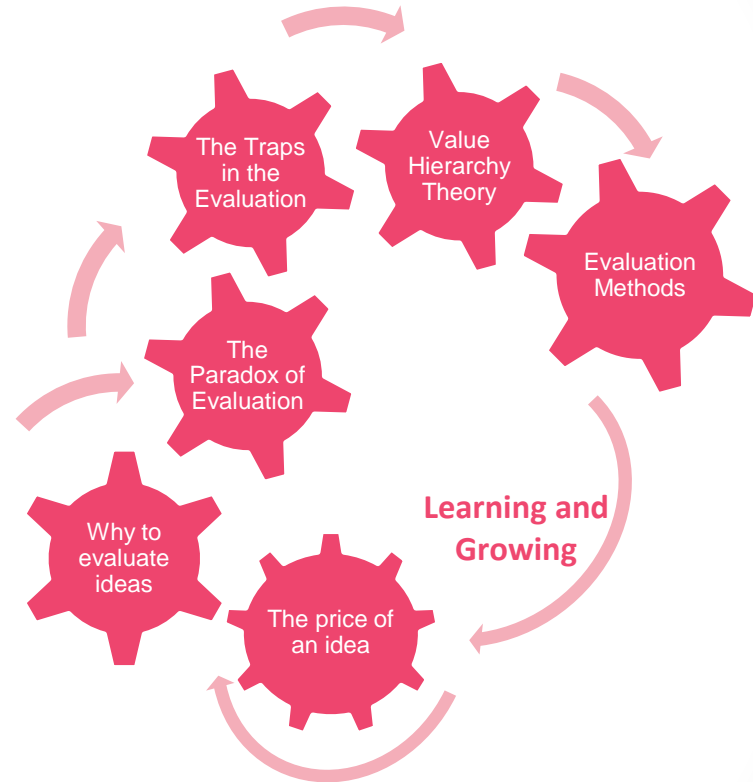- Better overall impact in the society.

Good Practices of great ideas turned into reality after evaluation processes:

1. *Uber's* value proposition offering convenience - one tap and a car comes, the driver know where you go, the payment – cashless.

2. Have own website *Without Tech Headaches*: you can have a nice landing page without and IT crew by using the optimization platform of *Unbounce*.

3. *Gamera Rocket Stove* – old technology of effective burning wood with almost zero bad emissions. Its capacity is amazingly high with very low consumption of small pieces of wood bars.

Module Overview

- You have just past the Module *Valuing ideas,* part of the DigiPort Development program.
- As one last tool in this module we offer you the SUMMARIZATION of the different methods for valuing ideas.
- Learning from your own journey is one of the most powerful tools in your development.
- Reflecting upon yourself, events, people, will give you additional confidence and inspiration in your job and live. And many more ideas!
- Be sure to respect the copyrights, licences, and good practices in the field!

The Traps in the Evaluation

Value Hierarchy Theory

Evaluation Methods

The Paradox of Evaluation

Why to evaluate ideas

The price of an idea

Learning and Growing

Quizzes

1. To increase the chance for a successful implementation of an idea, the entrepreneur should:
   a. Have experience in assessment
   b. Understand the social, cultural, environmental, economic perspectives of the ideas
   c. To be a creator him/herself
   d. To work in a team with other professionals
   e. **All the above**
   f. None of the above

2. Social value stands for:
   a. **Needs in the society or specific groups**
   b. The price people are ready to pay for the new product/service
   c. The competitors on the market with similar ideas

3. The paradox of the evaluation is:
   a. **You need to assess something you don't know and have no information about yet**
   b. The assessors need to pick up at least one idea of the proposed
   c. The assessors must take into consideration the investors point of view only

4. The financial and economic aspect of the new idea is not important:
   a. **True**
   b. False

5. Own personal and professional values matter in the process of assessment:
   a. **True**
   b. False

References

- Valuing ideas
- Four Key Ideas For Social Value Creation
- How To Evaluate Your Ideas Using A Value Hierarchy
- How to use design thinking in the UX design process
- How to Know Which Ideas Your Company Should Pursue
- Balancing on the Creative Highwire: Forecasting the Success of Novel Ideas in Organizations
- Idea Evaluation Matrix: Step-by-Step Guide
- How To Pick The Best Ideas After A Brainstorm
- The 4 Best Methods To Evaluate Ideas For Your Innovation Pipeline

For Further Reading / Watching:

- How To TEST ANY BUSINESS OR PRODUCT IDEA With REAL Customers → 3 Simple Steps
- 6 Steps to Discover Your Core Values
- How to Define Your Personal Values
- My Career Path, Carnegie Mellon University
- A Model Of Idea Evaluation and Selection for Product Innovation
- Innovation Management – The Ultimate Guide

Free pictures in the module by:

- masscommunicationtalk.com
- canva.com
- thefamouspeople.com
- ideadrop.com

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